Volume 13 No. 2, October 16, 2006

JOINT MILK CONTROL BOARD/DAIRY FARMERS OF SASKATCHEWAN PRODUCER MEETINGS

The Board and DFS are pleased to announce that they will once again hold the next session of producer meetings as a joint effort. Please plan to attend. The schedule of meetings and a proposed agenda follow on pages 7 & 8.

In addition to the producer meetings, Dairy Farmers of Saskatchewan will conduct its Annual General Meeting (AGM) as a separate event this year. The AGM will be held at the Hilton Garden Inn in Saskatoon, with a program running the afternoon and evening of Wednesday, November 8th and the morning of Thursday, November 9th. Please mark your calendar and plan to attend.

QUOTA EXCHANGE

The second butterfat Quota Exchange of the 2006-2007 dairy year was conducted on October 16, 2006. The market-clearing price established for unused quota was **$65.00**. There was no market clearing price established for used quota. The results of the October 2006 Quota Exchange are outlined in the following Tables.

The next monthly Quota Exchange for the 2006-2007 dairy year will be held on November 15, 2006. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, November 6, 2006. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is established at the price where the smallest difference exists betwee the accumulated volume offered for sale and the accumulated volume bid to purchase. T determine the clearing price of Total Production Quota, the bids to buy may be adjusted five percent of annual production quota issued. This is necessary to avoid price distortio from excessively large bids.

TABLE I

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	$65.00
Kilograms offered to Purchase – total	17,534
Kilograms offered to purchase at 5% adjustment	———
Kilograms offered to Sell	16,149
Kilograms sold	7,534
Number of Producers	
- offered to purchase	8
- purchased quota	6
- offered to sell	9
- sold quota	5

UNUSED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. buye
63.00	1	1	709	709	-16,825	17,534	6,000	8	
63.11	0	1	0	709	-10,825	11,534	4,000	7	
64.75	1	2	325	1,034	-6,500	7,534	0	6	
65.00	**3**	**5**	**7,489**	**8,523**	**989**	**7,534**	**3,709**	**6**	
66.00	1	6	2,000	10,523	6,698	3,825	0	3	
66.25	0	6	0	10,523	6,698	3,825	1,500	3	
67.00	1	7	2,700	13,223	10,898	2,325	0	2	
70.00	1	8	2,426	15,649	13,324	2,325	325	2	
70.48	0	8	0	15,649	13,649	2,000	2,000	1	
72.00	1	9	500	16,149	16,149	0	0	0	

TABLE II

USED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	$ ———
Kilograms offered to Purchase – total	1,500
Kilograms offered to Sell	0
Kilograms sold	0
Number of Producers	
- offered to purchase	1
- purchased quota	0
- offered to sell	0
- sold quota	0

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
56.60	0	0	0	0	-1,500	1,500	1,500	1	

QUOTA SWAP EXCHANGE

The second Quota Swap Exchange of the 2006-2007 Dairy Year was conducted on October 16, 2006. There was no market-clearing price established (Table III).

The next monthly Quota Swap Exchange will be held on November 15, 2006. All offers to swap quota through the Quota Exchange must be received at the Board office by midnight, November 6, 2006. The Board recommends that offers and bids to swap be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Swap Exchange, the price on offers to swap out unused quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Quota Swap Exchange.

Conversely, the price on offers to swap in unused quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Quota Swap Exchange.

The clearing price is established at the price where the smallest difference exists between the accumulated volume offered to swap out and the accumulated volume offered to swap-in.

TABLE III

QUOTA SWAP EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$------**
Kilograms offered to swap in	
Kilograms offered to swap out	
Kilograms swapped	
Number of Producers	
- offered to swap in	**—**
- swapped in quota	**—**
- offered to swap out	**—**
- swapped out quota	**—**

Butterfat production for September 2006 totalled approximately 638,190 kilograms. This was approximately 1.24% lower than September 2005 shipments. **For the first two months of th 2006-2007 dairy year, Saskatchewan's allocation of Total Production Quota totalled approximately 1,346,278 kilograms. For the first two months, the province has shipped 94.88% of that amount.**

The weighted average component tests and prices for the province in September are indicated Table IV.

TABLE IV

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.7676	$10.140732
Protein	3.3273	$ 7.140737
Other Solids (S.N.F.)	5.6807	$ 1.045622

Based on the average component tests for the province, the average price received was $67.90 per hectolitre. The average butterfat price received per kilogram was $18.02.

Overquota (4m) holdings are $561,000 for the first two months of the 2006/2007 dairy year.

SASKATCHEWAN MILK POOL RESULTS September 2006

TABLE V

Milk Sale Revenue	$ 12,324,372.51
Western Milk Pool	$ -748,183.01
Dairy Farmers of Canada Skim Off	$ - 18,810.20
Plant of Last Resort Service	$ -54,918.50
Total Pool Value	**$ 11,502,460.80**

QUOTA ADJUSTMENT – OCTOBER 1, 2006

The formula used to monitor national demand for milk and milk products has signalled a reduction in national production.

Effective October 1, 2006, the Total Production Quota (TPQ) base is reduced to 8,067,112 kilograms of butterfat, **a 0.36% reduction** from the August 1, 2006 base of 8,096,389 kilogra

Individual producer's total production quota will be decreased by 0.36% effective October 1, 2006. Quota licenses will be sent in the near future to reflect this quota decrease.

CDC SURPLUS REFUND

At the October 4, 2006 Canadian Milk Supply Management Committee meeting, it was agreed to refund the $8.508 million CDC surplus to producers based on their 2005-2006 share of in quota production.

Saskatchewan's share of the CDC refund amounts to $190,064. Upon receipt of its share of the CDC refund, the Milk Control Board will allocate the funds to individual producers on the basis of their 2005-2006 in-quota production.

QUOTA MANAGEMENT TABLES

Please find enclosed your quota management results for September, 2006. These Tables indicate the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments.

For the 2006-2007 dairy year, the Board will continue to provide these Tables on a monthly basis. We hope this information will assist producers with their management decisions regarding the utilization of their butterfat quota. Again, we will use actual figures where possible, and estimates for the balance of the dairy year. These estimates will use butterfat average for the past five dairy years and your production figures for the past dairy year.

If you have any questions concerning the information provided, please contact our office.

ACCOUNTING VALUES FOR CLASSES OF MILK – October 2006

TABLE VI

	Butterfat ($/kg)	**($ per hl. Skim milk)**	
Class 1a	$5.3000	$51.59	
Class 1b	$5.3000	$51.59	
Class 1c	$5.3000	$44.50	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.2333	$5.3140	$5.3140
Class 3a	$7.2333	$12.4158	$0.8291
Class 3b	$7.2333	$12.1853	$0.8145
Class 4a, 4b, 4d & 4d(i)	$7.2333	$4.9346	$4.9346
Class 4a(i)	$7.2333	$1.5000	$1.5000
Class 4c	$7.2333	$4.2497	$4.2497
Class 4m	$0.00	$0.00	$0.00
Class 5a	$3.2070	$4.4383	$0.3602
Class 5b	$3.2070	$1.7290	$1.7290
Class 5c	$3.3740	$2.0000	$2.0000
Class 5d	**As determined by**	**the CDC**	

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell purchase quota and/or cows, or swap quota is welcome to contact the Board office at (306) 787 5319. All prices and negotiations will be independent of the Milk Control Board.

Want to swap quota

- Would like to swap used for unused - contact Ken Ferch (306) 736-2205
- Would like to swap unused for used - contact Jim Gorrill (306) 725-4828
- Would like to swap used for unused – contact Levi @ Bench Colony (306) 297-3270

For Sale

- 35 Holstein heifers for sale, bred and open. Contact Dorothy Scheidt (306) 748-2817
- Alfalfa hay bales 1,400 pounds – young crop. Hay located in Tessier, Saskatchewan. Contact Carol Robbins (403) 859-2097
- 10 Registered Holstein heifers due October/November. Contact Mark Johnson, Strasbourg (306) 725-4042
- Complete dairy farm, machinery, 16,309 kilograms of quota and 80 cows. Will consid selling only cows and quota. Phone (306) 795-2976
- 2006 first cut alfalfa – 400 round bales 1500 -1600 pounds each. Feed tests available. Also, first cut alfalfa grass – 400 round bales 1500 -1600 pounds each. Feed tests available. Delivery available. Contact Ray Kostiuk @ (306) 595-4663.
- 21,109 kilograms of quota, with or without cows. Phone (306) 764-7865 or (306) 764- 1017.
- 10 bred Holstein heifers due in December and 10 milk cows. Contact Chad or Dennis (306) 598-2054.

Wanted to Rent

- Wanted to rent, as soon as possible, dairy farm in good operating condition, preferably around the Saskatoon area. Free stall barn and parlour for 60 – 100 cows needed. Plea phone: (604) 820-2387 or fax: (604) 826-1254.

Partnership

- Looking for a person to form a dairy farm partnership. Must have some financial

MILK CONTROL BOARD MEMBERS

Leonard Blocka, Chairman	Dairy producer
Dr. David Christensen	Dairy researcher/professor U of S
Joseph Guenther	Dairy producer
David Finlay	Dairy producer
Garf Stevenson	Consumer representative
Joanne Mortenson	Processor representative

For further information, please contact the Saskatchewan Milk Control Board office.
1210-2500 Victoria Avenue Telephone (306) 787-5319
Regina, Saskatchewan S4P 3X2 Fax: (306) 787-1988
Website: www.saskmilkcontrolboard.ca email: milk.control.board@sasktel.net

NOTICE OF MEETINGS
SPONSORED BY
THE SASKATCHEWAN MILK CONTROL BOARD
AND DAIRY FARMERS OF SASKATCHEWAN
OCTOBER 27 – NOVEMBER 3, 2006

JOINT MEETING AGENDA

1. Registration – 9:45 a.m.

2. Update: Markets and Production – Milk Control Board

3. Review of Milk Control Board Policy Changes – 2006-2007 Dairy Year

4. Dairy Farmers of Saskatchewan Update – Albert Leyenhorst and Wendy Kelly

6. Other Business

7. Adjourn

Lunch will be served at 12 noon at all meetings.

SCHEDULE OF MEETINGS

DATE	TIME	DISTRICT	LOCATIO
Friday, October 27	10:00 a.m.	Swift Current	F.O.A. Eagle 1910 S. Servi Rd. W. Swift Curren
Monday, October 30	10:00 a.m.	Yorkton	St. Mary's Parish Ukrainian Catholic Cultural Cen 240 Wellingt St. Yorkton
Tuesday, October 31	10:00 a.m.	Francis	Francis Hall, Francis
Thursday, November 2	10:00 a.m.	Saskatoon	Travelodge Hotel, Galax